

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

RECEIVED

MAY 11 1998

In the Matter of)	
)	
Bell Operating Companies)	
)	
Petitions for Forbearance from)	
Application of Section 272 of the)	CC Docket No. 96-149
Communications Act of 1934, as amended;)	
to Previously Authorized Services)	

**COMMENTS OF BELL ATLANTIC¹ ON
BELLSOUTH PETITION FOR RECONSIDERATION**

The Commission should reconsider its new requirement that Bell operating companies must treat a portion of their E9-1-1 service as non-regulated for regulatory accounting purposes. All aspects of E9-1-1 service are regulated by state commissions and any artificial accounting division would be inherently arbitrary.

In its order granting Bell Operating Companies forbearance from the requirements of section 272 for E9-1-1 service, the Commission imposed several conditions, including a requirement that these companies "treat their E9-1-1 services as nonregulated activities for federal accounting purposes to the extent they involve storage and retrieval functions included within the statutory definition of information service." *Bell Operating Companies Petitions for Forbearance*, 13 FCC Rcd 2627, ¶ 41 (1998) ("Forbearance Order"). In its petition, BellSouth explains that the Forbearance Order "subjects these services to

¹ The Bell Atlantic telephone companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, D.C., Inc.; Bell Atlantic-West Virginia, Inc.; New York Telephone Company; and New England Telephone and Telegraph Company.

obligations based on the fiction that these integrated services are easily identifiable as discrete business operation. They are not.” BellSouth Petition at 6. Indeed, it was the difficulty of separating out isolated aspects of E9-1-1 service that led to the Commission’s approval of the section 272 waiver in the first place.

Not only does any division of this service into regulated and nonregulated cost categories ignore the reality of how the service is provided to customers, it also fails to reflect the actual regulatory treatment of the service. The simple fact is that the entirety of these services remain subject to state regulation. In fact, *every* state in which Bell Atlantic provides E9-1-1 service regulates the entire service.² That regulation includes state tariffs that cover both the portion of the service the Commission’s forbearance order would treat as unregulated for accounting purposes, as well as the portion that the order would continue to treat as regulated. Each state has created its own rules and limits for cost recovery, whether under the E9-1-1 tariff, under separate contract terms, or through regulated rates.³

² The customer premises equipment associated with the service is provided separately in some states.

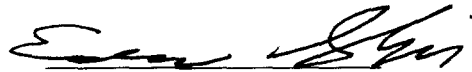
³ Because cost recovery for the service is regulated by state commissions, the accounting division of the service ordered by the Commission is not appropriate or necessary to accomplish the ratepayer protection goals of section 271(h).

In short, the fictional division of the service into regulated and unregulated components that is required by the forbearance order does not accurately reflect the way the service is actually provisioned or regulated.⁴

Conclusion

The Commission should eliminate its requirement that it treat a portion of regulated E9-1-1 service as nonregulated for accounting purposes.

Respectfully submitted,



Edward Shakin

Edward D. Young, III
Michael E. Glover
Of Counsel

1320 North Court House Road
Eighth Floor
Arlington, VA 22201
(703) 974-4864

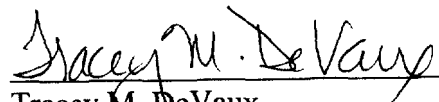
Attorney for the
Bell Atlantic telephone companies

May 11, 1998

⁴ While Bell Atlantic does not offer a reverse directory service that requires a section 272 waiver, it agrees with BellSouth that a section 272 waiver with respect to such a service should not be contingent on a requirement that a Bell operating company must make listing information from unaffiliated carriers available to third parties. Such sharing may violate contracts with the unaffiliated carriers. Rather than promote competition, such a restriction could inhibit a Bell company's ability to offer customers a more robust reverse directory service.

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of May, 1998 a copy of the foregoing "Comments of Bell Atlantic on BellSouth Petition for Reconsideration" was sent by first class mail, postage prepaid, to the parties on the attached list.


Tracey M. DeVaux

* Via hand delivery.

Janice Myles*
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW
Room 544
Washington, DC 20554

ITS, Inc.*
1919 M Street, NW
Room 246
Washington, DC 20554

M. Robert Sutherland
A. Kirven Gilbert III
BellSouth Corporation
1155 Peachtree Street, NE
Suite 1700
Atlanta, GA 30309-3610